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UNCLAS SECTION 01 OF 04 ANKARA 000129

SIPDIS

DEPT FOR EB/TPP/ABT - EHEARTNEY AND EUR/SE
COMMERCE FOR ITA/OTEXA/MARIA D'ANDREA
DEPT PASS USTR FOR LERRION
TREASURY FOR INTERNATIONAL AFFAIRS

SENSITIVE

E.O. 12958: N/A

TAGS: [ETRD](#) [EIND](#) [KTEX](#) [TU](#)

SUBJECT: GOT TO LIMIT CHINESE TEXTILE AND APPAREL
IMPORTS

SENSITIVE BUT UNCLASSIFIED. PLEASE HANDLE ACCORDINGLY.

1. (U) Summary: On December 23, the Foreign Trade Undersecretariat (FTU) published a communique in the State Gazette announcing surveillance and protective measures against 42 categories of Chinese textile and apparel imports. An FTU official told us that he expects the GOT will impose limits in line with safeguard procedures in section 242 of the Working Party report. End Summary.

2. (U) Econoff and Econ Specialist discussed Turkey's textile safeguard measures against Chinese imports with FTU's Deputy Director General for Imports on January 6. FTU identified 42 product categories for which Chinese textile and apparel imports threatened market disruption (see list below). Of these, 25 categories had been limited by quotas in 2004, 15 were categories for which quotas were lifted in earlier phases of liberalization, and two categories had not previously been limited by quota at all. According to FTU, limits will be set in accordance with section 242 of the Working Party report (e.g. allowing only a 7.5 percent increase in imports), for maximum periods of 12 months at a time, though these could be renewed to extend quota protection to as much as a three years.

3. (SBU) Our interlocutor said that FTU had requested consultations with the Chinese and had not yet implemented new restrictions pending those consultations. Note: On January 10, Reuters reported that FTU would start distribution of Chinese import quotas within the week, with import licenses under these quantity restrictions valid for 3 months from date of issuance. End Note. The GOC has not yet responded to Turkey's request for talks, but did object to the planned imposition of quantitative limits on goods which had never been subject to them before. FTU pointed out that Turkey is running a massive trade deficit with China of USD 4 billion on two-way trade of USD 4.4 billion.

4. (SBU) FTU said it is closely following safeguard actions taken or considered by the USG and Argentina. He told us he was surprised that the USG had not moved forward with more Article 16 safeguard actions on non-textile items against China. FTU asked that we continue to share information on safeguards in the future.

5. (U) Begin Informal Embassy Translation of Communique

Communique on Supervision and Safeguard Measures in Import of Certain Textile and Ready-to-wear Products.

Application:

Article 1- The TOBB (Turkish Business Chambers), TIM (Turkish Exporters Union), ITKIB (Istanbul Textile Exporters Union), TUTSIS (Turkey Textile Industry Employers Association), TGSD (Turkey Clothing Industrialists Association), PTSB (Cotton Textile Producers Union) have applied to the Foreign Trade Undersecretariat, within the context of the regulation no. 25318 of 12-16-03 amending the regulation on surveillance and protection measures on imports of certain textile products, to restrict quantities of Chinese imports of goods listed in the annex, with the reasoning that the increase in Chinese imports caused market distortions and the threat of further market distortions, and could create an obstacle to the orderly development of the trade.

Market Disruption and Threat of Market Disruption:

Article 2- As a result of the inquiry carried out by the Directorate-General for imports, it was determined that;

- With those categories integrated to the General Agreement on Customs Tariffs and Trade, imports of Chinese origin can cause market disruption that can threaten orderly development of the trade;
- In the categories that will be integrated as of 1/1/2005, imports originating in China threaten the orderly development of trade due to the threat of market disruption;
- For integrated categories, there is a sharp decrease in their unit price that will make Chinese-origin imports more attractive;
- China has invested significantly in the textile and clothing sector;
- Increasing imports caused a decrease in the share of domestic producers in the local market.

Decision:

Article 3- The Supervision and Safeguard Measures on Importation of certain products
Board decided to implement protection measures against increasing Chinese imports.

Limitation on the Quantity:

Article 4 - Within the context of the regulation mentioned above, consultation talks will start with China soon. Even though the official request for the consultations to start has been made to Chinese Government, it is also possible to start implementing the quantity restrictions (quotas) on imports with an implementation communique to be also issued soon in the State Gazette.

Submission of information:

Article 5- Views on the decision of the Board can be sent to the address given below by 1/14/05:

Prime Ministry Foreign Trade Undersecretariat
Imports Directorate-General
Textile Surveillance, and Protection Measures
Department
Inonu Bulv., No. 36, 06510 Emek/ Ankara
Tel: +90 312 204 52 49
Fax: +90 312 212 87 65 , or 212 87 11
Enforcement:

Article 6 - This communique enters into force on the date of its issuance.

Execution:

Article 7- This communique is executed by the Minister in charge of the Foreign Trade Undersecretariat.

Annex - CATEGORIES SUBJECT TO CONSULTATION

CATEGORY and DESCRIPTION

- 2 Woven fabrics of cotton, other than gauze, terry fabrics, pile fabrics, chenille fabric situlle and other fabrics
- 4 Shirts, T-shirts, lightweight fine knit roll, polo or turtle necked jumpers and pullovers (other than of wool or fine animal hair), undervests and the like, knitted or crocheted
- 5 Jerseys, pullovers, slip-overs, waistcoats, twinsets, cardigans, bed-jackets and jumpers (other than jackets and blazers), anoraks, windcheaters, waister jackets and the like, knitted or crocheted
- 6 Men's or boys' woven breeches, shorts other than swimwear and trousers (including slacks), women's or girls' woven trousers and slacks, of wool, of cotton or of man-made fibers; lower parts of tracksuits with lining, other than category 16 or 29, of cotton or of man-made fibers
- 7 Women's or girls' blouses, shirts and shirt-blouses, whether or not knitted or crocheted, of wool, of cotton or of man-made fibers
- 8 Men's or boys' shirts, other than knitted or crocheted, of wool, of cotton or of man-made fibers
- 9 Terry toweling and similar woven terry fabrics of cotton; toilet linen and kitchen linen other than knitted or crocheted, of terry toweling and woven terry fabrics, of cotton
- 10 Gloves, mittens and mitts, knitted or crocheted
- 12 Panty-hose and tights, stockings, understockings, socks, ankle-socks, sockettes and the like, knitted or crocheted, other than for babies, including stockings for varicose veins, other than products of category 70
- 13 Men's or boys' underpants and briefs, women's or girls' knickers and briefs, knitted or crocheted, of wool, of cotton or of man-made fibers
- 14 Men's or boys' woven overcoats, raincoats and

other coats, cloaks and capes, of wool, of cotton or of man-made textile fibers (other than parkas) (of category 21)

15 Women's or girls' woven overcoats, raincoats and other coats, cloaks and capes, jackets and blazers, of wool, of cotton or of man-made textile fibers (other than parkas) (of category 21)

16 Men's or boys' suits and ensembles other than knitted or crocheted, of wool, of cotton or of man-made fibers, excluding ski suits; men's or boys' tracksuits with lining, with an outer shell of a single identical fabric, of cotton or of man-made fibers

17 Men's or boys' jackets and blazers; other than knitted or crocheted, of wool, of cotton or of man-made fibers

18 Men's or boys' singlets and other vests underpants, briefs, nightshirts, pajamas, bathrobes, dressing gowns and similar articles, other than knitted or crocheted, women's or girls' singlets and other vests, slips, petticoats, briefs, panties, night dresses, pajamas, negligees, bathrobes, dressing gowns and similar articles, other than knitted or crocheted

20 Bed linen, other than knitted or crocheted

21 Parkas; anoraks, windcheaters, waister jackets and the like, other than knitted or crocheted of wool, of cotton or of man-made fibers; upper parts of tracksuits with lining other than category 16 and 29, of cotton or of man-made fibers

24 Men's or boys' night shirts, pajamas, bathrobes, dressing gowns and similar articles, knitted or crocheted, women's or girls' night dresses, pajamas, negligees, bathrobes, dressing gowns and similar articles, knitted or crocheted

26 Women's or girls' dresses, of wool, of cotton or of man-made fibers

27 Women's or girls' skirts, including divided skirts

28 Trousers, bib and brace overalls, breeches and shorts (other than swimwear), knitted or crocheted, of wool, of cotton or of man-made fibers

29 Women's or girls' suits, ensembles, other than knitted or crocheted, of wool, of cotton or of man-made fibers, excluding ski suits; women's or girls' tracksuits with lining, with an outer shell of an identical fabric, of cotton or of man-made fibers

31 Brassieres, woven, knitted or crocheted

36 Woven fabrics of continuous artificial fibers, other than those for tires of category 114

39 Table linen, toilet and kitchen linen, other than knitted or crocheted, other than of terry toweling or similar terry fabrics of cotton

50 Woven fabrics of sheep or lambs' wool or of fine animal hair

68 Babies' garments and clothing accessories, excluding babies' gloves, mittens and mitts of categories 10 and 87, and babies' stockings, socks and sockettes, other than knitted or crocheted, of category 88

72 Swimwear, of wool, of cotton or of man-made fibers

73 Track suits of knitted or crocheted fabric, of wool, of cotton or of man-made fibers

74 Women's or girls' knitted or crocheted suits and ensembles, of wool, of cotton or of man-made fibers, excluding ski suits

75 Men's or boys' knitted or crocheted suits and ensembles, of wool, of cotton or of man-made fibers, excluding ski suits

76 Men's or boys' industrial or occupational clothing, other than knitted or crocheted; Women's or girls' aprons, smock-overalls and other industrial or occupational clothing, other than knitted or crocheted

78 Garments other than knitted or crocheted, excluding garments of categories 6, 7, 8, 14, 15, 16, 17, 18, 21, 26, 27, 29, 68, 72, 76 and 77

83 Overcoats, jackets, blazers and other garments, including ski suits, knitted or crocheted, excluding garments of categories 4, 5, 7, 13, 24, 26, 27, 28, 68, 69, 72, 73, 74, 75

84 Shawls, scarves, mufflers, mantillas, veils and the like other than knitted or crocheted, of wool, of cotton or of man-made fibers

85 Ties, bow ties and cravats other than knitted or crocheted, of wool, of cotton or of man-made fibers

96 Non-woven fabrics and articles of such fabrics, whether or not impregnated, coated, covered or laminated

100 Textile fabrics impregnated, coated, covered or laminated with preparations of cellulose derivatives or of other artificial plastic materials

117 Woven fabrics of flax or of ramie

156 Blouses and pullovers knitted or crocheted of silk or silk waste for women and girls

157 Garments, knitted or crocheted, other than those of categories 1 to 123, 156

159 Dresses, blouses and shirt-blouses, not knitted or crocheted, of silk or silk waste; Shawls, scarves, mufflers, mantillas, veils and like, not knitted or

crocheted, of silk or silk waste; Ties, bow ties and
cravats of silk or silk waste.
End Informal Embassy Translation.
Edelman